

July 19, 2018

Cecile Young  
Acting Executive Commissioner  
Texas Health and Human Services Commission  
4900 North Lamar  
Austin, TX 78756

Re: Intellectual and Developmental Disability (IDD) System Redesign Advisory  
Committee recommendations concerning the Transition of IDD Waivers and  
Community-based ICF/IID Program into Medicaid Managed Care

Dear Commissioner Young,

The IDD System Redesign Advisory Committee (IDD-SRAC), created as part of SB7 by the 83<sup>rd</sup> Legislature, is charged with advising HHSC on the implementation of acute care and long-term services and supports for Texans with IDD. Consistent with this charge, IDD-SRAC strongly recommends that HHSC not move forward with the transition of long term services and supports (LTSS) for any IDD Medicaid-waivers and the ICF/IDD program at this time, including the potential transition of all or a portion of Texas Home Living (TxHmL) on September 1, 2020, and delay any transition of IDD LTSS to a managed care model until statutory requirements have been met and necessary systems changes accomplished.

Rationale:

1. HHSC did not implement an IDD Pilot to test models using capitation for providing services to people with IDD under Medicaid managed care. The legislation required the IDD-SRAC to review Pilot results, analyze outcomes and provide recommendations for future models. IDD-SRAC considered this pilot program crucial for understanding the challenges to the overall support system and stakeholders. For reasons unknown, IDD-SRAC was not consulted in the decision to eliminate the pilot program.
2. In place of the IDD Pilot, and to meet other statutorily required evaluations and assessments, HHSC contracted with two organizations (Deloitte and UTHealth) to do an extensive analysis of the impact of moving LTSS into managed care. However, results from these analyses are not anticipated until December 2018, right before the next legislative session. IDD-SRAC believes it is extremely important for the results of these analyses to be completed and reviewed by HHSC, the legislature, and IDD-SRAC prior to any related transition.
3. In order to meet legislatively-mandated timelines (SB7, 83<sup>rd</sup> Legislature; HB3295, 85<sup>th</sup> Legislature), HHSC is having to move forward without the valuable information referenced in item 2 above. As a result, IDD-SRAC is very concerned that HHSC does not have the information needed to proceed with implementation in an effective manner.
4. HHSC should evaluate lessons learned from the STAR Kids IDD acute care carve-in and use those learnings to improve the system prior to carving in additional IDD waivers into Medicaid managed care. These include the timing of program carve-ins, impact on individuals currently enrolled in a community-based ICF/IDD or IDD waiver who may be determined to no longer meet criteria, network access, prior authorization requirements, as well as other improvements identified by IDD-SRAC, Policy Council on Children and Families, and the STAR Kids Advisory Committee.

IDD-SRAC further recommends that before any transition of IDD services into managed care, HHSC must assess any future managed care models, initiate necessary systemic reforms, and implement and assess other systems changes and statutory requirements critical to the success of the system redesign as presented below. In reviewing the actions below, it is important to know that the IDD-SRAC reviewed and considered a reasonable completion timeline (see attached) and determined that transitioning all or a portion of Texas Home Living Waiver services must be delayed by at least three (3) years and transitioning all or a portion of the remaining IDD Waivers and ICF/IID must be delayed by at least seven (7) years. The recommended delay assumes that implementation of any transition of Texas Home Living Waiver services into managed care will serve as a pilot for transitioning all or a portion of the remaining IDD Waiver and ICF/IID services to managed care, allowing the time necessary to implement, evaluate, and make necessary adjustments prior to implementing any transition of the remaining IDD waivers (HCS, CLASS and DBMD) and the ICF/IID program.

1. Review, and disseminate the results of the Deloitte and UTHealth studies.
2. Conduct a comprehensive evaluation on the impact of transitioning the IDD waivers and the community-based ICF/IID program into a Medicaid managed care model. The evaluation should focus on the needs of the individual and the impact on the providers' health plans including costs, operations and outcomes. The evaluation should also recommend transition options, outline system reforms needed for the current IDD system, and evaluate key metrics including:
  - a. Average monthly cost per person for acute care and LTSS;
  - b. Utilization of non-residential settings and non-provider-owned housing (community integration and prevention of institutionalization);
  - c. Average total Medicaid cost, by level of need, in various residential settings;
  - d. Percentage of individuals employed in meaningful, integrated settings;
  - e. Impact on behavioral, medical, life-activity and other personal outcomes; and
  - f. Overall client satisfaction.
3. Expand capacity in the community-based system for people with IDD, such as an adequate provider network, employment, community integration, and transportation.
4. Transition IDD provider system reporting and billing through use of a HIPPA compliant system.
5. Implement, test, and validate the new IDD assessment tool. HHSC should determine the resource allocation method for any new assessment tool and test the new allocation method before any decisions are finalized.
6. Implement electronic eligibility and systems management for CLASS and DBMD.
7. Implement the federal Electronic Visit Verification (EVV) requirements (aka: 21<sup>st</sup> Century Cures Act)
8. Finalize any changes and budget appropriations needed to fully comply with the new HCBS settings requirements by the 2022 deadline.

9. Adhere to the Protective Provision in SB7, grandfathering protections which allow individuals enrolled in the Medicaid waiver programs at the time of the transition to continue receiving services through fee-for-service Medicaid (Sec 534.202(g)). During the business design process, HHSC should take into consideration the total number of enrollees needed for a sustainable IDD Medicaid managed care program as a result of these protections.
10. If HHSC proceeds with transitioning individuals receiving community-based ICF/IID or IDD waiver services to managed care, expertise will be needed to move forward effectively. IDD-SRAC recommends developing an implementation plan centered on the individual and building systems based on the individual's needs. The implementation plan shall include timeframes, all changes required for successful implementation, and recommendations for oversight. Analysis should start with the individual and include:
  - a. Provider accessibility and ease of use;
  - b. A LTSS benefit structure focused on need, preferences, and person-centered approaches;
  - c. Financial investment and actuarially sound decisions on appropriate capitation rates;
  - d. Regulatory oversight, including data that is publicly available, identifying the IDD population and appropriate performance measures;
  - e. Innovations to increase flexibility, independent living, employment, housing and transportation, and other individualized meaningful engagement opportunities in the general community;
  - f. Checks and balances to ensure individuals receive all necessary services, including those recommended by their primary care physicians and specialists;
  - g. Reporting mechanisms that track the quality of life, health, and wellness outcomes of individuals with IDD that are specific to outcomes that are important to and for individuals with IDD.

Regardless of whether Texas continues with the current fee-for-service Medicaid waiver system or moves either partially or totally to a managed care system, the system as it currently stands is under-resourced. Success will depend not only on the diligent efforts of the HHSC, providers, and health plans, but fundamentally on the appropriation of adequate resources.

Thank you for reviewing and considering these recommendations. The IDD System Redesign Advisory Committee appreciates its strong relationship with HHSC and will continue to review, provide feedback and recommendations on issues important to people with IDD.

Sincerely,



Clay Boatright  
Chairman  
IDD System Redesign Advisory Committee

cc: IDD SRAC members

# IDD Carve-In Timeline: Option I

[assumes no delays in completion of any initiatives/events necessary for a successful carve-in]

